



RESOURCE PROPOSAL

Special Revenue Fund Split between Visitor Enhancement Fund and Commercial Passenger Vessel Fund

Proposed resource type Contracted services

Cost of resource \$140,000 total. Community Survey \$30,000-40,000. Economic Impact Study \$70,000-100,000

1. Brief description of resource: Visitor Industry Data Collection. Following assembly direction given at the 9/10/2024 meeting. Community Survey over the phone for the 2025 summer season to be conducted in October or November 2025. Economic Impact Study with the person-to-person visitor survey method for the 2025 summer season.

2. What goal does will this resource help you achieve? Goal 1: Preserve the quality of life and affordability for all Sitkans Goal 3: Align resources and financial and economic policies with CBS goals for a sustainable

3. Is there a specific action that this resource is related to (under selected goal)? 1.3 Review the impacts and benefits of tourism, and develop policies that prioritize the quality of life for all Sitkans 3.3 Identify and implement policies that will use the economic benefits of tourism to

4. How will this resource contribute to achieving the above strategic goals and actions? "...the City and Borough of Sitka needs more data to bring us closer to finding a balance between Sitkan's quality of life and Sitkan's economic opportunities (p1 of 9/10/2024 memo)." "There needs to be data collection conducted to scientific standards to achieve this balance. Input sampled from the overall community of Sitka will better achieve a representational understanding of quality of life. Data collected on visitor spending habits is needed to adjudicate impacts (pg3 of memo)." See memo for 9/10/2024 Item E 24-137 in assembly meeting packet.

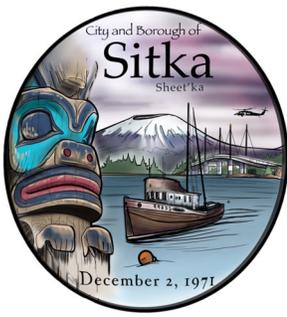
5. What would happen if this resource request is not approved? What might be options to scale this request down, but still achieve the goal? Continue reference of data from nearly 10 years ago. "The last major study conducted in Sitka was done by the Alaska Department of Commerce over the summer of 2016. The Alaska Visitor Statistics Program 7 (AVSP 7) was published in May of 2017 (p1 of memo)."

6. How will achievement of strategic goals/action be demonstrated (KPI?/other metric of success?) Good decision making. "To achieve evidence-based decision making, there needs to be timely research to capture the current situation (pg1 of memo)."

7. What are the future costs of this resource? N/A

8. What are potential financial or other tangible benefits that may be realized if this resource is approved? See memo for 9/10/2024 Item E 24-137 in assembly meeting packet.

Department Head



# CITY AND BOROUGH OF SITKA

A COAST GUARD CITY

## MEMORANDUM

**To:** Mayor Eisenbeisz and Assembly Members  
**From:** Assembly Members Ystad and Carlson  
**Date:** September 10, 2024  
**Subject:** DDD Visitor Industry Data Collection

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### **Background**

Several surveys and community meetings over the past year(s) have collected a wealth of information that has led us to this point in our city-wide understanding of the present-day impacts of the visitor industry in Sitka. The visitor industry is a very polarizing topic for Sitkans. The Tourism Task Force (TTF) conducted well informed research and stated in their report that, "This topic carries incredible emotional weight for the community. ... This finding is highlighted to emphasize the care and reverence needed in continuing conversations and deliberations on cruise tourism." The industry has seen significant shifts in recent years causing past independent professional research to be less pertinent.

The last major study conducted in Sitka was done by the Alaska Department of Commerce over the summer of 2016. The Alaska Visitor Statistics Program 7 (AVSP 7) was published in May of 2017. The full report is 295 pages. This is the most recent data collected. Reports published after 2017 cite this data.

Tourism Task Force Recommendation Number 6 is to continue to collect data.

### **Analysis**

To achieve evidence-based decision making, there needs to be timely research to capture the current situation. From page 7 of the TTF recommendations, "It was encouraging to see that 80% of respondents at the December 7<sup>th</sup> town hall meeting wanted the community to reach common ground so that Sitka can find a balance when it comes to cruise tourism. Another 70% agree that the ideal number of cruise tourists for Sitka balance economic opportunities and benefits with preserving quality of life. In the community survey, 60% of respondents stated that they believe CBS should take an active role in determining the number of cruise visitors that come to Sitka. However, the 'balanced' number was difficult to discern from the input received." Stepping into an

active role, the City and Borough of Sitka needs more data to bring us closer to finding a balance between Sitka's quality of life and Sitka's economic opportunities.

There are three areas of interest for exploring the impact of the visitor industry in Sitka.

1. Community
2. Economic
3. Environmental

Planning and starting a new research initiative can take several months more than running an existing program. It also needs to be stated that there are established timeframes for data collection and review in response to the seasonality of tourism. Considering this start-up time and acknowledging the seasonal cycle of the matter being researched, a new survey/ study/ assessment may take several months to complete in the best case or over a year if there is a need to wait to line up with the season. Getting in step with this cycle involves careful timing of planning, preparation and implementation.

### **Community Survey**

Collecting feedback from Sitkans is best conducted shortly after the summer visitor season ends in October or November. This is when the experience of the summer is fresh, memories are detailed, and there is the most time for improvements to be implemented for the next season.

- Approach A – online survey.  
Pros: less expensive, can be done through the CBS Planning and Community Development Department  
Cons: self-selection of participants is often not a statistical representative of the population
- Approach B – phone survey.  
Pros: more accurate representation of the population  
Cons: more expensive, needs independent third-party research firm

### **Economic Impact Study**

Identifying patterns in visitor spending is key to optimization. Data needs to be collected to analyze and implement relevant policies.

- Approach A – triangulation. Spending habits of visitors can be identified through review of sales tax data and interviews with business owners, excursion vendors and local attractions.  
Pros: less expensive, can be conducted entirely after the summer season  
Cons: better methods are available that provide more confidence in accuracy and detail in categories and cohorts of spending.  
Approach B – person to person. Survey takers actively engage with visitors as they exit town and verbally provide responses.  
Pros: best method available, accurate representation of expenditures and sample of the population.  
Cons: more expensive, longer lead time to hire summer staff and design of

questions to fit the unique needs of Sitka.

### **Environmental Assessment of Sitka Sound**

Understanding our waters and changes that may be originated or exacerbated by traffic from commercial passenger vessels is needed to be good long-term stewards of our environment.

No defined approaches have been scoped. Alaska Department of Environmental Conservation collects data that can be analyzed.

Initiating discussion on visitor industry impact studies in September is not ideal for collecting data on the current summer visitor season. End-of-season is typically when implementation of a research program happens. It is still possible to achieve implementation on cycle for the 2024 summer season through use of secondary methods. Data collection with the best methods are possible for the 2025 summer season, if started now.

### **Recommendation**

CBS Strategic Plan Actions 1.4 and 3.4 both refer to quality of life for all Sitkan and economic benefits of the visitor industry. There needs to be data collection conducted to scientific standards to achieve this balance. Input sampled from the overall community of Sitka will better achieve a representational understanding of quality of life. Data collected on visitor spending habits is needed to adjudicate impacts.

1. Pursue an online End of Season Community Survey for the current 2024 summer season to be conducted in October 2024 by the CBS Planning and Community Development Department. This would provide published results around December 2024 for the Tourism Commission to review.
2. Pursue studies by an independent research firm. The assembly should direct the Administrator to go to RFQ to select a third part research firm for:
  - Economic Impact Study with the triangulation method for the current 2024 summer season to be conducted in the first few months of 2025. This would provide a published study around April 2025.
  - Economic Impact Study with the person-to-person visitor survey method for the 2025 summer season. This would provide a published study around Feb 2026.
  - Community Survey over the phone for the 2025 summer season to be conducted in October or November 2025. This would provide a published study around December 2025.
3. Pursue partners to conduct an Environmental Assessment of Sitka Sound based on data collected by the Alaska Department of Environmental Conservation.
4. Craft a resolution to urge the Alaska legislature to fund the next Alaska Visitor Statistics Program. Program 8 could happen the summer of 2026, 10 years after the last

comprehensive analysis.

5. Request research be added to the directives of the Alaska CPV Port Communities group organized by the Alaska Municipal League.

### **Estimated Expense**

#### Community Survey

- Approach A – online survey. Free if conducted through the CBS Planning and Community Development Department or the Tourism Commission. Approx. \$15,000 - 20,000 if conducted through an independent third-party research firm.
- Approach B – phone survey. \$30,000 - \$40,000 if conducted through an independent third-party research firm.

#### Economic Impact Study

- Approach A – triangulation. \$40,000 - \$45,000 if conducted through an independent third-party research firm.
- Approach B – person to person. \$70,000 - \$100,000 if conducted through an independent third-party research firm. Expense will increase with more categorical data sought.

It is intended that these expenditures can be split between the CBS Commercial Passenger Vessel Fund and the Visitor Enhancement Fund.

Encl: Alaska Visitor Statistics Program 7 (AVSP 7)